

UNIFIED SCHOOL DISTRICT NO. 384
RANDOLPH, KANSAS

REPORT ON AUDIT
FINANCIAL STATEMENTS

JUNE 30, 2015

BRUNA AUDITING SERVICES LLC
DEREK BRUNA
CERTIFIED PUBLIC ACCOUNTANT
WASHINGTON, KANSAS

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

TABLE OF CONTENTS

	Independent Auditor's Report	1
STATEMENT 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash	3
STATEMENT 2	Summary of Expenditures -- Actual and Budget (Budgeted Funds Only)	4
STATEMENT 3 - 1	General Fund	5
STATEMENT 3 - 2	Supplemental General Fund	6
STATEMENT 3 - 3	Vocational Education Fund	7
STATEMENT 3 - 4	Special Education Fund	8
STATEMENT 3 - 5	Driver Training Fund	9
STATEMENT 3 - 6	Food Service Fund	10
STATEMENT 3 - 7	Capital Outlay Fund	11
STATEMENT 3 - 8	Professional Development Fund	12
STATEMENT 3 - 9	KPERS Retirement Fund	13
STATEMENT 3 - 10	At Risk (K-12) Fund	14
STATEMENT 3 - 11	At Risk (4 Year Old) Fund	15
STATEMENT 3 - 12	Gifts/Grants Fund	16
STATEMENT 3 - 13	Federal Reap Fund	17
STATEMENT 3 - 14	Title I Current Fund	18
STATEMENT 3 - 15	Textbook Rental Fund	19
STATEMENT 3 - 16	Title II Teacher Quality Fund	20
STATEMENT 3 - 17	Contingency Reserve Fund	21
STATEMENT 3 - 18	Bond and Interest Fund	22
STATEMENT 4	Agency/ Activity Funds	23-24
	Notes to the Financial Statements	25-34

BAS LLC
Bruna Auditing Services LLC
Derek Bruna, CPA

201 C Street
Washington, KS 66968
Phone: (785)-325-2061
Fax: (785)-325-2194

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 384
Randolph, Kansas 66534

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 384, as of and for the year ended June 30, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 384 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 384 as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 384 as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Statement 3 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated November 9, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note A.

Bruna Auditing Services LLC

 CPA

Derek Bruna, CPA
Washington, Kansas
November 9, 2015

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended June 30, 2015

Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Expenditures		Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	STATEMENT 1 Ending Cash Balance
				Receipts				
General Funds:								
General Fund	3-1	\$ 0	\$ 0	\$ 1,849,263	\$ 1,849,263	\$ 0	\$ 0	\$ 0
Supplemental General	3-2	43,951	0	595,992	610,577	29,366	0	29,366
Special Purpose Funds:								
Vocational Education Fund	3-3							
Special Education Fund	3-4	906	0	143,834	143,990	750	0	750
Driver Training	3-5	0	0	403,564	399,093	4,471	0	4,471
Food Service Fund	3-6	3,885	0	3,133	3,166	3,857	0	3,857
Capital Outlay Fund	3-7	334	0	169,604	166,452	3,486	0	3,486
Professional Development Fund	3-8	39,147	0	115,582	75,340	79,389	0	79,389
Kpers Retirement Fund	3-9	30	0	0	0	30	0	30
At Risk-[K 12] Fund	3-10	68	0	124,883	124,883	68	0	68
At Risk-4 Year Old Fund	3-11	0	0	69,367	69,367	0	0	0
Gifts and Grants Fund	3-12	261	0	5,472	5,733	0	0	0
Federal REAP Fund	3-13	4,120	0	3,990	3,100	0	0	0
Title I	3-14	0	0	11,419	11,419	4,950	0	4,950
Textbook Rental Fund	3-15	0	0	24,649	24,649	0	0	0
Title II	3-16	0	0	9,831	9,831	0	0	0
Contingency Reserve Fund	3-17	19,628	0	13,268	13,268	0	0	0
Bond and Interest Funds:								
Bond and Interest Fund	3-18	211,321	0	184,374	172,100	223,595	0	223,595
Total Reporting Entity (Excluding Agency Funds)		\$ 323,651	\$ 0	\$ 3,728,170	\$ 3,682,231	\$ 369,591	\$ 0	\$ 369,591

Composition of Cash

Checking Account	\$ 232,793
Savings	135,887
CD's	19,291
Petty Cash	393
Agency/Activity Accounts	34,963
Total Cash	423,327
Agency/Activity Funds (Statement 4)	53,736
Total Reporting Entity (Excluding Agency/Activity Funds)	369,591

**REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2015

STATEMENT 2

Fund	Statement Number	Certified Budget	Adjustments To Comply With Legal Max	Adjustments For Qualifying Budget Credits	Total Budget For Comparison	Expenditures Chargeable To Current Year	Variance Over (Under)
General Funds:							
General Fund	3-1	\$ 1,825,463	\$ (55,084)	\$ 78,884	\$ 1,849,263	\$ 1,849,263	\$ (0)
Supplemental General	3-2	622,424	(11,847)	0	610,577	610,577	0
Special Purpose Funds:							
Vocational Education	3-3	160,906	0	0	160,906	143,990	(16,916)
Special Education	3-4	441,400	0	0	441,400	399,093	(42,307)
Driver Training	3-5	5,160	0	0	5,160	3,166	(1,994)
Food Service	3-6	167,592	0	0	167,692	166,452	(1,240)
Capital Outlay	3-7	151,633	0	0	151,633	75,340	(76,293)
Professional Development	3-8	30	0	0	30	0	(30)
Kpers Retirement	3-9	155,285	0	0	155,285	124,883	(30,402)
At Risk (K-12)	3-10	70,000	0	0	70,000	69,367	(633)
At Risk (4 year old)	3-11	8,277	0	0	8,277	5,733	(2,544)
Bond and Interest Funds:							
Bond And Interest	3-12	172,100	0	0	172,100	172,100	0
TOTALS		\$ 3,780,370	\$ (66,931)	\$ 78,884	\$ 3,792,323	\$ 3,619,964	\$ (172,359)

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-1

GENERAL FUND

	Current Year			
	Prior Year Actual Transactions	Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue				
Ad valorem property tax	\$ 312,039	\$ 0	\$ 0	\$ 0
Special Ed Pass	0	269,548	321,400	(51,852)
Local Tax	0	615	0	615
Delinquent Tax	5,151	0	0	0
Reimbursements	0	78,884	0	78,884
Federal grants	56,843	0	0	0
State aid/grants	1,430,517	1,442,570	1,476,063	(33,493)
Miscellaneous revenue	52,757	57,646	28,000	29,646
Total Cash Receipts	\$ 1,857,307	\$ 1,849,263	\$ 1,825,463	\$ 23,800
Expenditures				
Instruction	\$ 735,260	\$ 819,346	\$ 788,862	\$ 30,484
Student Support Services	53,107	56,752	58,148	(1,396)
Instructional Support Staff	42,986	38,693	40,394	(1,701)
General Administration	189,128	179,314	171,357	7,957
School Administration	189,946	132,963	144,091	(11,128)
Operations and Maintenance	166,563	91,345	90,456	889
Student Transportation Services	106,239	74,356	75,755	(1,399)
Operating Transfers/ Misc	374,078	456,494	456,400	94
Adjustment For Legal Max			(55,084)	55,084
Adjustment for Reimbursements			78,884	(78,884)
Total Expenditures	\$ 1,857,307	\$ 1,849,263	\$ 1,849,263	\$ (0)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	\$ 0	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-2

SUPPLEMENTAL GENERAL FUND

	Prior Year Actual Transactions	Current Year		
		Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Ad valorem property tax	469,357	437,279	16,156	421,123
Delinquent Tax	9,226	12,134	6,100	6,034
Motor Vehicle Tax	66,540	76,093	68,668	7,425
State Aid/grants	77,958	70,486	88,260	(17,774)
Total Cash Receipts	\$ 623,081	\$ 595,992	\$ 179,184	\$ 416,808
Expenditures				
Instruction	\$ 81,028	\$ 46,694	\$ 60,366	\$ (13,672)
General Administration	128,774	167,407	145,846	21,561
Operation and Maintenance	96,866	119,169	178,212	(59,043)
Student transportation services	77,194	61,983	68,000	(6,017)
Operating Transfers	230,559	215,324	170,000	45,324
Adjustment For Legal Max			(11,847)	11,847
Total Expenditures	\$ 614,421	\$ 610,577	\$ 610,577	\$ 0
Receipts Over (Under) Expenditures	8,660	(14,585)		
Unencumbered Cash - Beginning	35,291	43,951		
Unencumbered Cash - Ending	\$ 43,951	\$ 29,366		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

VOCATIONAL EDUCATION FUND

STATEMENT 3-3

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Grants	14,361	0	0	0
Miscellaneous	0	750	0	750
Interest Income	0	0	0	0
Operating transfers	\$ 126,410	\$ 143,084	\$ 0	\$ 143,084
Total Cash Receipts	\$ 140,771	\$ 143,834	\$ 0	\$ 143,834
Expenditures				
Instruction	159,944	143,990	160,906	(16,916)
Total Expenditures	\$ 159,944	\$ 143,990	\$ 160,906	\$ (16,916)
Receipts Over (Under) Expenditures	(19,173)	(156)		
Unencumbered Cash - Beginning	20,079	906		
Unencumbered Cash - Ending	\$ 906	\$ 750		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

SPECIAL EDUCATION FUND

STATEMENT 3-4

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers	380,997	403,564	381,800	21,764
Total Cash Receipts	\$ 380,997	\$ 403,564	\$ 381,800	\$ 21,764
Expenditures				
Instruction	\$ 389,845	\$ 390,858	\$ 429,298	\$ (38,440)
Student transportation services	22,781	8,235	12,102	(3,867)
Total Expenditures	\$ 412,626	\$ 399,093	\$ 441,400	\$ (42,307)
Receipts Over (Under) Expenditures	(31,629)	4,471		
Unencumbered Cash - Beginning	31,629	0		
Unencumbered Cash - Ending	\$ 0	\$ 4,471		

UNIFIED SCHOOL DISTRICT NO. 384

Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2015

(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-5

DRIVER TRAINING FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid/grants	\$ 2,500	\$ 1,488	\$ 1,365	\$ 123
Reimbursement	935	1,650	5,254	(3,604)
Total Cash Receipts	\$ <u>3,435</u>	\$ <u>3,138</u>	\$ <u>6,619</u>	\$ <u>(3,481)</u>
Expenditures	0			
Instruction	\$ 3,382	\$ 3,156	\$ 5,160	\$ (2,004)
Miscellaneous	0	10	0	10
Operations and maintenance	<u>1,680</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>5,062</u>	\$ <u>3,166</u>	\$ <u>5,160</u>	\$ <u>(1,994)</u>
Receipts Over (Under) Expenditures	(1,627)	(28)		
Unencumbered Cash - Beginning	<u>5,512</u>	<u>3,885</u>		
Unencumbered Cash - Ending	\$ <u>3,885</u>	\$ <u>3,857</u>		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

FOOD SERVICE FUND

STATEMENT 3-6

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal grants	\$ 47,745	\$ 49,789	\$ 43,304	\$ 6,485
State Aid/grants	1,147	1,078	1,513	(435)
Meals	64,731	64,455	72,995	(8,540)
Miscellaneous revenue	3,016	4,123	500	3,623
Operating Transfers	22,948	50,159	31,000	19,159
Total Cash Receipts	\$ <u>139,587</u>	\$ <u>169,604</u>	\$ <u>149,312</u>	\$ <u>20,292</u>
Expenditures				
Food service operations	\$ 164,070	\$ 166,452	\$ 167,692	\$ (1,240)
Total Expenditures	\$ <u>164,070</u>	\$ <u>166,452</u>	\$ <u>167,692</u>	\$ <u>(1,240)</u>
Receipts Over (Under) Expenditures	(24,483)	3,152		
Unencumbered Cash - Beginning	<u>24,817</u>	<u>334</u>		
Unencumbered Cash - Ending	\$ <u>334</u>	\$ <u>3,486</u>		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-7

CAPITAL OUTLAY FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Ad Valorem Tax/Prior	\$ 67,796	\$ 70,653	\$ 123,347	\$ (52,694)
Delinquent Tax	37	811	0	811
Motor Vehicle /RV Tax	0	3,505	0	3,505
Federal Grants	8,200	0	0	0
Interest Income	1,197	1,076	0	1,076
Miscellaneous revenue	7,941	39,537	0	39,537
Total Cash Receipts	\$ 85,171	\$ 115,582	\$ 123,347	\$ (7,765)
Expenditures				
Instruction	\$ 3,491	\$ 894	\$ 60,000	\$ (59,106)
Student support services	0	0	0	0
Instruction support staff	23,925	0	0	0
General administration	404	879	5,000	(4,121)
Operations and maintenance	6,834	81	20,000	(19,919)
Facility acquisition and construction services	134,717	56,389	66,633	(10,244)
Student Transportation Service	0	17,097	0	17,097
Total Expenditures	\$ 169,371	\$ 75,340	\$ 151,633	\$ (76,293)
Receipts Over (Under) Expenditures	(84,200)	40,242		
Unencumbered Cash - Beginning	123,347	39,147		
Unencumbered Cash - Ending	\$ 39,147	\$ 79,389		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-8

PROFESSIONAL DEVELOPMENT FUND

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts	0	0	0	0
Total Cash Receipts	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Instruction support staff	\$ 360	\$ 0	\$ 30	\$ (30)
Total Expenditures	\$ 360	\$ 0	\$ 30	\$ (30)
Receipts Over (Under) Expenditures	\$ (360)	0		
Unencumbered Cash - Beginning	390	30		
Unencumbered Cash - Ending	30	\$ 30		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-9

KPERS RETIREMENT CONTRIBUTION FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State aid/grants	\$ 132,722	\$ 124,883	\$ 153,587	\$ (28,704)
Total Cash Receipts	\$ 132,722	\$ 124,883	\$ 153,587	\$ (28,704)
Expenditures				
Employee Benefits	\$ 132,722	\$ 124,883	\$ 155,285	\$ (30,402)
Total Expenditures	\$ 132,722	\$ 124,883	\$ 155,285	\$ (30,402)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	68	68		
Unencumbered Cash - Ending	\$ 68	\$ 68		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-10

AT RISK (K-12) FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	0	69,367	60,000	9,367
Miscellaneous revenue	68,867	0	0	0
Total Cash Receipts	\$ 68,867	\$ 69,367	\$ 60,000	\$ 9,367
Expenditures				
Instruction	73,867	69,367	70,000	(633)
Total Expenditures	\$ 73,867	\$ 69,367	\$ 70,000	\$ (633)
Receipts Over (Under) Expenditures	(5,000)	0		
Unencumbered Cash - Beginning	5,000	0		
Unencumbered Cash - Ending	\$ 0	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

AT RISK FUND (4 YR OLD)

STATEMENT 3-11

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Other transfers	4,170	5,472	0	5,472
Federal Grants	1,800	0	0	0
Total Cash Receipts	\$ 5,970	\$ 5,472	\$ 0	\$ 5,472
Expenditures				
Operations and maintenance	677	0	688	(688)
Instruction	8,032	5,733	7,589	(1,856)
Total Expenditures	\$ 8,709	\$ 5,733	\$ 8,277	\$ (2,544)
Receipts Over (Under) Expenditures	(2,739)	(261)		
Unencumbered Cash - Beginning	3,000	261		
Unencumbered Cash - Ending	\$ 261	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

	<u>GIFTS AND GRANTS</u>	<u>STATEMENT 3-12</u>
	Prior Year Actual	Current Year Actual
CASH RECEIPTS		
Miscellaneous		
Grants	1,169	2,680
	<u>11,160</u>	<u>1,250</u>
Total Cash Receipts	\$ <u>12,329</u>	\$ <u>3,930</u>
EXPENDITURES		
Instruction	13,291	3,100
Total Expenditures	\$ <u>13,291</u>	\$ <u>3,100</u>
Receipts Over (Under) Expenditures	(962)	830
Unencumbered Cash - Beginning	<u>5,082</u>	<u>4,120</u>
Unencumbered Cash - Ending	\$ <u>4,120</u>	\$ <u>4,950</u>

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 384
 Randolph, Kansas
 SCHEDULE OF RECEIPTS AND EXPENDITURES
 ACTUAL AND BUDGET
 Regulatory Basis
 For The Year Ended June 30, 2015
 (With Comparative Actual Totals for Prior Year Ended June 30, 2014)

FEDERAL REAP GRANT

STATEMENT 3-13

	Prior Year 2014	Current Year 2015
Cash Receipts		
State aid/grants	\$ 12,202	\$ 11,419
Total Cash Receipts	<u>12,202</u>	<u>11,419</u>
Expenditures		
Instruction	<u>12,202</u>	<u>11,419</u>
Total Expenditures	<u>12,202</u>	<u>11,419</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund.
 See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

TITLE I FUND- LOW INCOME

STATEMENT 3-14

	Prior Year 2014	Current Year 2015
Cash Receipts		
State aid/grants	\$ 28,924	\$ 24,649
Total Cash Receipts	<u>28,924</u>	<u>24,649</u>
Expenditures		
Instruction	<u>28,924</u>	<u>24,649</u>
Total Expenditures	<u>28,924</u>	<u>24,649</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

	<u>TEXTBOOK RENTAL</u>	<u>STATEMENT 3-15</u>
	<u>Prior Year 2014</u>	<u>Current Year 2015</u>
Cash Receipts		
Charges for services	\$ <u>11,170</u>	\$ <u>9,831</u>
Total Cash Receipts	<u>11,170</u>	<u>9,831</u>
Expenditures		
Instruction	<u>14,803</u>	<u>9,831</u>
Total Expenditures	<u>14,803</u>	<u>9,831</u>
Receipts Over (Under) Expenditures	(3,633)	0
Unencumbered Cash - Beginning	<u>3,633</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-16

TITLE IIA FUND- TEACHER QUALITY

	<u>Prior Year 2014</u>	<u>Current Year 2015</u>
Cash Receipts		
Federal grants	\$ 13,318	\$ 13,268
Total Cash Receipts	<u>13,318</u>	<u>13,268</u>
Expenditures		
Instruction	<u>13,318</u>	<u>13,268</u>
Total Expenditures	<u>13,318</u>	<u>13,268</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

UNIFIED SCHOOL DISTRICT NO. 384
 Randolph, Kansas
 SCHEDULE OF RECEIPTS AND EXPENDITURES
 ACTUAL AND BUDGET
 Regulatory Basis
 For The Year Ended June 30, 2015
 (With Comparative Actual Totals for Prior Year Ended June 30, 2014)

	<u>CONTINGENCY RESERVE FUND</u>	<u>STATEMENT 3-17</u>
	Prior Year 2014	Current Year 2015
Cash receipts		
Operating transfers	\$ <u>1,245</u>	\$ <u>0</u>
Expenditures		
Instruction	<u>102,680</u>	<u>0</u>
Total expenditures	102,680	
Receipts Over (Under) Expenditures	(101,435)	0
Unencumbered Cash - Beginning	<u>121,063</u>	<u>19,628</u>
Unencumbered Cash - Ending	\$ <u>19,628</u>	\$ <u>19,628</u>

This is not a budgeted fund.
 See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2015
(With Comparative Actual Totals for Prior Year Ended June 30, 2014)

STATEMENT 3-18

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Ad Valorem property tax	\$ 141,119	\$ 154,729	\$ 109,504	\$ 45,225
Delinquent Tax	3,272	4,036	924	3,112
Motor vehicle tax	24,371	25,609	15,481	10,128
State Aid	0	0	23,393	(23,393)
Miscellaneous revenue	10,764	0	0	0
Total Cash Receipts	\$ 179,526	\$ 184,374	\$ 149,302	\$ 35,072
Expenditures				
Principal	176,764	160,000	160,000	0
Interest		12,100	12,100	0
Total Expenditures	\$ 176,764	\$ 172,100	\$ 172,100	\$ 0
Receipts Over (Under) Expenditures	2,762	12,274		
Unencumbered Cash - Beginning	208,559	211,321		
Unencumbered Cash - Ending	\$ 211,321	\$ 223,595		

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2015

DISTRICT/SCHOOL AGENCY & ACTIVITY FUNDS

Funds; Gate receipts	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Outstanding Encumbrances & A/P	STATEMENT 4	
							Ending Cash	Balance
Athletics	683	0	26,540	26,755	0	0	0	468
School projects								
Yearbook	5,338	0	3,864	5,119	0	0	0	4,083
Videography	644	0	0	0	0	0	0	644
Accelerated Reader	467	0	117	84	0	0	0	500
CDP	1,243	0	4,107	4,957	0	0	0	393
Owls Project	1,529	0	0	165	0	0	0	1,364
School projects	78	0	2,224	2,006	0	0	0	296
Scholarships	18,909	0	37	566	0	0	0	18,380
Class of 2010	78	0	0	0	0	0	0	78
Class of 2011	43	0	0	0	0	0	0	43
Class of 2018	0	0	625	362	0	0	0	263
Class of 2014	247	0	0	247	0	0	0	0
Class of 2015	1,028	0	5,310	6,122	0	0	0	216
Class of 2016	862	0	4,204	4,666	0	0	0	400
Class of 2017	869	0	1,572	594	0	0	0	1,847
Weight club	7	0	0	0	0	0	0	7
Football club	229	0	9,139	8,853	0	0	0	515
Girl's Athletics	759	0	3,492	3,093	0	0	0	1,158
Boy's Basketball	15	0	0	0	0	0	0	15
Spanish club	438	0	671	319	0	0	0	790
FCCLA	593	0	31,929	30,521	0	0	0	2,001
FFA	14,972	0	32,262	37,637	0	0	0	9,597
FEA	190	0	0	0	0	0	0	190
Cheerleaders	1,126	0	4,309	5,278	0	0	0	157
Pep club	15	0	0	0	0	0	0	15
BPA	5,532	0	8,130	9,529	0	0	0	4,133
Study Abroad	0	0	2,756	2,756	0	0	0	0

See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

DISTRICT/SCHOOL ACTIVITY FUNDS - Continued

STATEMENT 4 (continued)

NHS	1,518	0	6	0	0	0	1,524
Drama	711	0	783	0	0	0	991
MS Cheerleaders	98	0	0	503	0	0	98
Art	641	0	0	0	0	0	122
FCA	125	0	1,527	2,046	0	0	125
Forensics	12	0	0	0	0	0	12
Band	44	0	0	0	0	0	12
H.S. Track	796	0	198	51	0	0	191
Counselors	7	0	79	606	0	0	269
Wellness	424	0	0	0	0	0	7
Student Council	2,464	0	9,911	10,106	0	0	424
Sales Tax	94	0	3,121	3,064	0	0	2,269
Totals	62,828	0	154,157	163,249	0	0	53,736

See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 384 is a municipal Corporation established under Kansas Statute. All USDs in Kansas are required to be audited under K.S.A. 75-1122. The District is governed by an elected seven member board. The financial statements present the financial condition and results of operation of the district. The District's major operations include primary and secondary education for young people. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.

This report is intended solely for the information and use of the Board of Education and management of USD 384, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and Kansas State Board of Education, and should not be used for any other purposes.

The Kansas Municipal Audit and Accounting Guide will be referred to as KMAAG throughout the notes.

Basis of Presentation

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restricts, or limitations. The following are Regulatory Basis Fund Types:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Accounting-KMAAG Regulatory Basis of Accounting (Formerly Statutory Basis)

The KMAAG regulatory audit requirement of K.S.A. 75-1122 applies to each individual municipality as defined in K.S.A. 75-1117. The KMAAG regulatory financial reporting entity is comprised of the "municipality" as defined in K.S.A. 75-1117, as a minimum, and may also include certain separate legal entities referred to as "related municipal entities" as defined by KMAAG.

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

GAAP Basis Financial Statements - Minimum Requirements. GAAP basis financial statements are financial statements prepared in accordance with "Governmental Accounting and Financial Reporting Standards" as promulgated by the Governmental Accounting Standards Board (GASB). For KMAAG purposes, if GAAP basis financial statements are presented, the basic financial statements and notes must be presented at a minimum. All other supplemental schedules are optional. However, the KMAAG mandatory note disclosures (if applicable) must still be presented even though they might not otherwise be required by GAAP to be included in the notes. KMAAG does not provide an example of GAAP financial statements.

Regulatory Basis Financial Statements - Minimum Requirements. If GAAP basis financial statements are not presented, then: 1) a GAAP waiver resolution must be passed, and 2) regulatory basis financial statements including regulatory-required supplementary information, must be presented. Regulatory basis financial statements are financial statements prepared in accordance with the guidelines of KMAAG. Such financial statements are prepared on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas and prepared in accordance with the prescribed format established by KMAAG.

The regulatory basis financial statement consists of a single basic financial statement which is a summary statement containing all funds and related municipalities included in the financial reporting entity and demonstrating compliance with the cash basis law. The remainder of the required financial information to be presented is considered regulatory-required supplementary information which includes 1) a fund summary schedule containing all funds and showing compliance with the budget law for those funds required to be budgeted, 2) individual fund schedules for all funds except agency funds, with budget comparisons for those funds required to be budgeted, 3) a fund summary schedule, for agency funds only, showing cash balances and changes therein, and 4) special schedules unique to the municipality. Note: Regulatory-required supplementary information are the additional schedules that are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide and are not to be considered as required supplementary information as defined by auditing standards generally accepted in the United States of America. In addition, the KMAAG mandatory note disclosures must be presented and must include all disclosures necessary for fair presentation in accordance with the KMAAG regulatory basis framework. All other schedules that may be presented are optional.

Departure from GAAP

A waiver from the requirement to prepare and audit GAAP basis financial statements is necessary *only if* the municipality decides to present regulatory basis financial statements. A waiver is not required for financial statements that are prepared in accordance with the GAAP basis framework but include certain departures from GAAP. For example, if GAAP financial statements are presented but do not include the management discussion and analysis, this would be a departure from GAAP. However, even lacking the management discussion and analysis required supplementary information, the basic financial statements may still be presented on a GAAP basis framework, thus a waiver would not be required. The District has approved a resolution that is compliance with K.S.A. 75-1120a(c) waiving the annual for application of GAAP for the year ended 6/30/15. This waiver is completed annually and allows the District to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, and expenditures compared to budget. Balance sheets that would have shown

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement.

Reimbursed Expenses

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for the budget law under K.S.A. 79-2934. Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement. The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2014 Financial Data

Amounts that are shown for 2014 in the accompanying financial statements are included where practical, only to provide a basis for comparison with 2015, and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Cash and Investments

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Ad Valorem Tax Revenue

The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually the determination of assessed valuation and the collections of property taxes for all political subdivisions in determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the District by January 20 to help finance the current year's budget. The second half is due May 10 and distributed to the District June 5. The District Treasurer draws all available funds from the County Treasurer's Office at designated times throughout the year.

Budgetary Data

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund. The statutes provide for the following sequence and time table in the adoption of the annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County.

The statutes permit transferring budgeted amounts between *line* items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budget receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special revenue funds: Textbooks and Student Materials, Athletic Gate Receipts and other School Agency/Activity Funds, Fee and User Charges/Clearing Accounts, Contingency Reserve, Employee Benefits, Title I, Title IIA, and Federal Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body. Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
Compliance With Kansas Statutes and Other Finance Related Legal Matters
There are no noted violations with such compliance requirements.

NOTE C- DEPOSITS AND INVESTMENTS

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk. Cash balances from all funds are combined and invested to the extent available in certificates of deposits and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2014.

At year-end the carrying amount of the district's deposits, including certificates of deposit and money market accounts was \$423,327. The bank balance was \$232,793 and activity operating accounts had a balance of \$34,963. The Savings account balance was \$135,887, while Certificates of Deposit were \$19,291. The petty cash account tallied \$393. Any differences between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining balance was collateralized by pledged securities held under joint custody receipts

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

issued by a third-party bank in the district's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

Investment Policy

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit investment choices. Funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposits issued by banks at June 30, 2015.

The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest.

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D- FRINGE BENEFIT PLAN I.R.C. 125

The District has in place an IRS-IRC Section #125 "Cafeteria" Fringe Benefit Plan. The options under the plan are salary reduction options. In addition, each employee may choose to take the benefit in cash, a taxable option. Employees that are eligible for the plan are all full time employees. The plan year runs from October 1 to September 30 annually. The maximum benefit allowance per employee is \$2500/yr for the years ended June 30, 2014, and 2015. The maximum for the dependent care reimbursement account is \$5000 annually. Provisions available are:

- Group Health Insurance
- Group Term Life Insurance (\$50,000 maximum) Salary Protection Insurance
- Cancer Insurance
- Medical Reimbursement Accounts
- Dependent Care Reimbursement Accounts

NOTE E- CONTINGENT LIABILITIES

The district has not computed or recorded the potential liability for sick/vacation leave that is available to all full time employees. The amount varies by position. (Please refer to the negotiated agreement for further specification.)

NOTE F- RELATED PARTY TRANSACTIONS

The Clerk of the Board has related party transactions with her husband's business, Pfaff Service LLC. Due to the cost-benefit restrictions of finding a competitor in rural settings, these transactions are unavoidable. The amount of transactions for the year ended 6/30/2015 was \$25,983.

NOTE G- DEFINED BENEFIT PENSION PLAN

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, etc. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Funding Policy. *Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends KMAAG (1/15) D-10 on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability. The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$2,063,555 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above. Note: The report expected to be issued by KPERS containing the allocation of the net pension liability to participating entities may not be available from KPERS for those entities who will be issuing reports with fiscal years ending December 31, 2014 in early 2015. It is not known at the time of this publishing date when this information will be available from KPERS. If the KPERS report is not available at the time the District issues their financial statements, it would not be appropriate to disclose the Net Pension Liability footnote.

NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES

The district is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; injuries to employees; and nature disasters. The district continues to carry insurance for all risks of loss including workers compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its cash and cash equivalents.

NOTE J- FIDUCIARY/TRUST TYPE FUNDS

The District does not currently have any of these funds in their financial statement FYE 6/30/15.

NOTE K- OTHER POST-EMPLOYMENT BENEFITS

As provided by K.S.A 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

NOTE L- IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$62,885 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

NOTE M- LONG-TERM DEBT

The District is responsible for Series 2013 General Obligation Refunding Bonds. Please refer to Note U for further analysis of the bond issuance and information.

UNIFIED SCHOOL DISTRICT NO. 384
Randolph, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE N- CAPITAL PROJECT COMPLIANCE

The District is currently involved in a Roof and Energy Lease. Please refer to note U for further information regarding the capital lease and other information.

NOTE O- LITIGATION CONTINGENCIES

The District currently has no litigation contingencies that it is involved in.

NOTE P- COMMITMENT AND CONTINGENCIES

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2015.

NOTE Q- SUBSEQUENT EVENTS

These financial statements considered subsequent events through November 9, 2015, the date the financial statements were available to be issued.

UNIFIED SCHOOL DISTRICT NO. 384
 RANDOLPH, KANSAS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

Note R - INTER-FUND TRANSACTIONS

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue, to the fund authorized to expend the revenue, have been segregated from normal revenues and expenditures for reporting purposes are are:

FROM	TO	2015	2014
General	Contingency Reserv	\$ 0	\$ 1,245
General	Special Education	391,162	276,175
General	Textbook Rental	172	0
General	Food Service	21,154	14,666
General	At Risk K-12	19,528	43,462
General	At Risk 4 year old	1,200	1,904
General	Vocational Education	23,279	36,626
	Totals	456,495	374,078
Supplemental General	Food Service	29,005	8,282
Supplemental General	At Risk 4 year old	4,272	2,266
Supplemental General	Vocational Education	119,805	89,784
Supplemental General	Special Education	12,402	104,822
Supplemental General	At Risk K-12	49,839	25,405
	Totals	215,323	230,559
	Totals	671,818	604,637

The above transfers are included in the expenditures of the disbursing fund and included in the revenues of the receiving fund as required by the Cash Basis and Budget Laws of Kansas, and for budget comparison purposes.

UNIFIED SCHOOL DISTRICT NO. 384
 RANDOLPH, KANSAS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

Note S - INTER-GOVERNMENTAL ASSISTANCE-STATE

Type of Aid	2015	2014
General	\$ 1,174,669	\$ 1,101,130
Special Ed	263,466	250,035
Block Grants	62,885	0
Supplemental	70,486	77,958
State Safety	1,488	935
Food Service Aid	1,079	1,147
Conference Fee	0	25
GSA Transportation Weighting	0	0
Special Ed Transportation Weighting	36,743	79,352
KPERS Expanded Lottery	16,069	16,033
KPERS Employer Cont.	108,814	116,689
Totals	1,735,699	1,643,304

Note T - INTER-GOVERNMENTAL ASSISTANCE-FEDERAL

Type of Aid	2015	2014
Title I Fund	\$ 24,649	\$ 28,924
Reserve Fund	2,250	0
Food Service	49,790	47,746
Teacher Quality Carryover	0	0
Ed Jobs Fund	0	0
Youth Risk Behavior	0	0
Title II Teacher Quality	0	0
Title II D Ed. Tech	13,268	13,568
Nutrition Training Grant	0	0
School District Mill Levy	0	250
Fresh Fruits	174,355	0
	0	0
Totals	264,312	90,488

Federal programs in which the school district participated have specified for what purpose funds are to be expended.
 All funds unexpended at June 30, 2015 are restricted to federal program specified expenditures.

UNIFIED SCHOOL DISTRICT NO. 384
 Randolph, Kansas
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

Note U - Debt Analysis

STATEMENT OF CHANGES IN LONG - TERM DEBT

BOND

Issue	Interest Rate	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds Series 2013 Refunding Issue	2.00%	1,400,000	10/1/2017	685,000	0	-\$160,000	-\$160,000	\$525,000	\$12,100

YEAR

	2016	2017	2018	TOTAL
REMAINING General Obligation Bonds	\$ 165,000	\$ 175,000	\$ 185,000	\$ 525,000
PAID General Obligation Bonds	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000
	\$ 135,000	\$ 145,000	\$ 160,000	\$ 440,000
CAPITAL LEASE				
				Total Paid \$875,000

Issue	Interest Rate	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Roof and Energy Lease	2.80%	222,238	6/1/2016	92,598	0	-\$45,662	-\$45,662	\$46,936	\$2,593

YEAR

	2016	2017	2018	TOTAL
REMAINING Roof and Energy Lease	\$ 46,936			\$ 46,936
PAID Roof and Energy Lease	\$ 42,014	\$ 43,208	\$ 45,662	\$ 130,884
				Total Paid \$175,302